

DIRECTORS STANDARDS OF CONDUCT AND CONFLICT OF INTEREST

1 INTRODUCTION

- (1) The Authority believes that the highest standards of conduct on the part of the Board and its directors are essential to maintain and enhance the public's trust and confidence, and to ensure superior services to those who we serve. Directors who exemplify the highest standards of professionalism, courtesy and ethics while representing the Authority improve the Authority's image in the communities it serves.
- (2) For the purposes of this policy direct relatives are identified as the director's spouse, common-law spouse, parent, grandparent, sibling, child, or grandchild.
- (3) For the purposes of sections 2, 4, 6, 9, 11, 12 and 14 of this policy where references to "director" mean the Board Chair then all references to the "Board Chair" shall mean the Governance & Human Resources Committee Chair.

2 CONFLICT OF INTEREST

- (1) A conflict of interest occurs when a director's private affairs or financial interests are in conflict, or could result in a perception of conflict, with the director's duties or responsibilities in such a way that:
 - (a) the director's ability to act in the public interest could be impaired, or
 - (b) the director's actions or conduct could undermine or compromise the public's confidence in the director's ability to discharge work responsibilities, or the trust that the public place in the Authority.
- (2) There are several situations that could give rise to a conflict of interest. The most common are accepting gifts, favours or kickbacks from suppliers, close or direct relative relationships with outside suppliers, passing confidential information to outside organizations and using privileged information inappropriately. The following are examples of the types of conduct and situations that can lead to a conflict of interest:
 - (a) Influencing the Authority to lease equipment from a business owned by the director's spouse.

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- (b) Influencing the Authority to allocate funds so an employer in the Authority's geographic area will need to hire more Laboratory Technologists, when the director's direct relative is an unemployed Laboratory Technologist living in that area.
 - (c) Participating in the negotiation of a collective agreement, or other agreement with another health care union, knowing that the standard set in the negotiations will be referred to in negotiations with the health care union to which the director or a direct relative belongs.
 - (d) Influencing the Authority to direct funds to an institution where the director or direct relative works or is involved.
 - (e) Participating in a decision by the Authority to hire or promote a direct relative of the director.
 - (f) Influencing the Authority to make all its travel arrangements through a travel agency owned by a direct relative of the director.
 - (g) Influencing or participating in a decision of the Authority that will directly result in the director's own financial gain. This would include any discussions involving a collective agreement which applies to the director.
- (3) Full disclosure enables directors to resolve unclear situations and gives an opportunity to dispose of conflicting interests before any difficulty can arise.
 - (4) A director must, immediately upon becoming aware of a potential conflict of interest situation, disclose the conflict in writing to the Board Chair. This requirement exists even if the director does not become aware of the conflict until after a transaction is complete.
 - (5) A notation of the potential conflict will be made in the file of the director, the Board Chair, and if applicable in the meeting minutes of the committee or Board of Directors. If in the opinion of the director and/or Board Chair an amendment to the director's Disclosure of Conflict of Interest form is required, it shall be done forthwith with copies shared with the Board and Senior Executive Team.
 - (6) If a director is in doubt whether a situation involves a conflict, the director must immediately seek the advice of the Board Chair. It may also be appropriate to seek legal advice.

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- (7) Unless a director is otherwise directed, a director must immediately take steps to resolve the conflict or remove the suspicion that it exists.
- (8) If a director is concerned that another director is in a conflict of interest situation, the director must immediately bring his or her concern to the other director's attention and request that the conflict be declared. If after a discussion, both directors agree there is no conflict, the matter will be considered resolved. If there is disagreement between the directors about the conflict/perceived conflict, the concern must be brought to the attention of the Board Chair.
- (9) A director is required to disclose the nature and extent of any conflict at the first meeting of the Board after which the facts leading to the conflict have come to that director's attention. After disclosing the conflict, the director:
 - (a) must not take part in the discussion of the matter or vote on any questions in respect of the matter. However, the director may be counted in the quorum present at the Board meeting.
 - (b) if the meeting is open to the public, may remain in the room, but shall not take part in that portion of the meeting during which the matter giving rise to the conflict is under discussion, and shall leave the room prior to any vote on the matter giving rise to the conflict.
 - (c) must, if the meeting is not open to the public, immediately leave the meeting and not return until all discussion and voting with respect to the matter giving rise to the conflict is completed.
 - (d) must not attempt, in any way or at any time, to influence the discussion or the voting of the Board on any question relating to the matter giving rise to the conflict.

3 POST EMPLOYMENT RESTRICTIONS FOR SENIOR EXECUTIVES

- (1) The President & Chief Executive Officer and the Vice Presidents of the Authority are covered by post-employment restrictions as outlined in administrative policy AU0100 – *Standards of Conduct for Interior Health Employees*.
- (2) In accordance with section 4(3) of administrative policy AU0100 the Board Chair may reduce the one-year restriction for the President & Chief Executive Officer after consideration of the issues listed in that section.

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4 ENTERTAINMENT, GIFTS AND FAVOURS

- (1) It is essential to efficient business practices that all those who associate with the Authority, as suppliers, contractors or directors, have access to the Authority on equal terms.
- (2) Directors and direct relatives should not accept entertainment, gifts or favours that create or appear to create a favoured position for doing business with the Authority. Any firm offering such inducement shall be asked to cease. A sustained business relationship will be conditional on compliance with this Policy.
- (3) Similarly, no director may offer or solicit gifts or favours in order to secure preferential treatment for themselves or the Authority.
- (4) A director may accept modest discounts on a personal purchase of a supplier's or customer's products only if such discounts do not affect the Authority's purchase or selling price and are generally offered to any employee of the Authority.
- (5) Under no circumstances may directors offer or receive cash, preferred loans, securities, or secret commissions in exchange for preferential treatment. Any director experiencing or witnessing such an offer must report the incident to the Board Chair immediately.
- (6) Gifts and entertainment may only be accepted or offered by a director in the normal hospitality and protocol exchanges common to established business relationships. An exchange of such gifts shall create no sense of obligation.
- (7) Inappropriate gifts received by a director should be returned to the donor and may be accompanied by a copy of this Policy.
- (8) Full and immediate disclosure to the Board Chair of borderline cases will always be taken as good-faith compliance with this Policy.

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5 OUTSIDE INTERESTS

- (1) After April 1 and before April 30th, directors must declare, in the form of a Declaration, attached as Appendix A, possible conflicting outside business activities at the time of appointment. Notwithstanding any outside activities, directors are required to act in the best interest of the Authority. Each declaration shall be updated annually and the director is required to update the declaration at any time when a change in the director's outside business activities has occurred. Copies of all declarations shall be distributed to the other directors at the May Governance & Human Resources Committee meeting, and subsequently to the President and Chief Executive Officer, and the Senior Executive Team.
- (2) No director may hold a significant financial interest, either directly or through a direct relative or associate, or hold or accept a position as an officer or director in an organization in a relationship with the Authority, where by virtue of his or her position in the Authority, the director could in any way benefit the other organization by influencing the purchasing, selling or other decisions of the Authority, unless that interest has been fully disclosed in writing to the Authority.
- (3) A "significant financial interest" in this context is any interest substantial enough that decisions of the Authority could result in a personal gain for the director.
- (4) These restrictions apply equally to interests in companies that may compete with the Authority in all of its areas of activity.

6 OUTSIDE EMPLOYMENT OR ASSOCIATION

- (1) A director who accepts a position with any organization that could lead to a conflict of interest or situation prejudicial to Authority interests, shall discuss the implications of accepting such a position with the Board Chair recognizing that acceptance of such a position may require the director's resignation from the Authority Board. This may include but is not limited to outside business interests, non-profit societies and charities, professional associations and political affiliations.

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7 INVESTMENT ACTIVITY

- (1) Directors may not, either directly or through direct relatives or associates, acquire or dispose of any interest, including publicly traded shares, in any company while having undisclosed confidential information obtained in the course of work at the Authority which could reasonably affect the value of such securities.

8 PERSONAL CONDUCT

- (1) The conduct and language of directors in the workplace must meet acceptable social standards and must contribute to a positive environment. A director's conduct must not compromise the integrity of the Authority.
- (2) Directors are to treat each other, and staff and medical staff, with respect and dignity and must not engage in discrimination or harassment based on any of the prohibited grounds covered by the Human Rights Code. The prohibited grounds are race, colour, ancestry, place of origin, religion, family status, marital status, physical disability, mental disability, sex, sexual orientation, age, political belief or conviction of a criminal or summary offence unrelated to the individual's employment.
- (3) During the course of their appointment directors may have need to utilize the health care services of the Authority. Directors must never seek to use or leverage their role as a director to gain an advantage for themselves, a direct relative or associate with respect to the delivery of health care services.
- (4) While directors are not involved in the hiring of Authority employees outside of the CEO, they should refrain from any comments or other involvement in personnel decisions where there could be a perception of real or perceived benefit to themselves, a direct relative or associate.

9 USE OF CORPORATE PROPERTY

- (1) A director requires the Authority's approval to use property owned by the Authority for personal purposes, or to purchase property from the Authority unless the purchase is made through the usual channels also available to the public.

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- (2) Even then, a director must not purchase property owned by the Authority if that director is involved in an official capacity in some aspect of the sale or purchase.
- (3) Directors may be entrusted with the care, management and cost-effective use of the Authority property and should not make significant use of these resources for their own personal benefit or purposes. Clarification on this issue should be sought from the Board Chair.
- (4) Directors should ensure all Authority property which may be assigned to them is maintained in good condition and should be able to account for such property.
- (5) Directors may not dispose of the Authority property except in accordance with the guidelines established by the Authority.
- (6) Directors shall return all property belonging to the Authority upon leaving the Board.

10 PROTECTION OF PRIVACY

- (1) In the course of their duties directors will be privy to the information of patients, clients, residents, staff, medical staff contractors and suppliers that is protected under the Freedom of Information and Protection of Privacy Act, the Evidence Act, other provincial statutes, and Authority Policy. Directors are required to abide by the provisions of the respective statutes and policies, especially at is relates to the protection of privacy.

11 PROTECTION OF GENERAL CORPORATE INFORMATION

- (1) Confidential information includes proprietary, technical, business, financial, legal, or director information which the Authority treats as confidential.
- (2) Directors may not disclose such information to any outside person unless authorized.
- (3) Similarly, directors may never disclose or use confidential information gained by virtue of their association with the Authority for personal gain, or to benefit friends, relatives or associates. For clarity, this continues to apply after the director's relationship with the Authority ceases to exist.

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- (4) Directors are advised to seek guidance from the Board Chair or the President and Chief Executive Officer with respect to what is considered confidential.
- (5) Directors shall forthwith, upon leaving the Board, return all confidential material relating to the Authority. Directors shall further cleanse his or her computer of any confidential material relating to the Authority.

12 COMMITMENT AND COMPLIANCE

- (1) The Authority is determined to behave, and to be perceived, as an ethical organization.
- (2) Each director must adhere to the standards described in this Policy, and to the standards set out in applicable policies, guidelines or legislation.
- (3) The requirement to comply with this Policy is a condition of good standing for directors. Failure to comply with this Policy may result in disciplinary action up to and including removal from the Board by the Minister.
- (4) Integrity, honesty, and trust are essential elements of the Authority's success. Any director who knows or suspects a breach of this Policy has a responsibility to report it to the Board Chair.
- (5) To demonstrate determination and commitment, the Authority requires each director to review and sign the Policy. The willingness and ability to sign the Policy is a requirement of all directors.
- (6) The Policy will be administered by the Board Chair.
- (7) The Board Chair will provide guidance on any item in this Policy. The Board Chair may, at his/her discretion or at the request of a director, also seek the advice of outside Counsel.

13 COMPLIANCE WITH THE LAW

- (1) Authority directors must act at all times in full compliance with both the letter and the spirit of all applicable laws.
- (2) In his/her relationship with the Authority, no director shall commit or condone an unethical or illegal act or instruct another director, employee, or supplier to do so.

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- (3) Directors should be familiar with policy and legislation that applies to their work to recognize potential liabilities and to know when to seek legal advice. If in doubt, directors are expected to ask for clarification.
- (4) The Authority is continually under public scrutiny. Therefore, directors must not only comply fully with the law, but must also avoid any situation which could be perceived as improper or indicate a casual attitude towards compliance.

14 REPORTING

- (1) Directors have a duty to report any situation that they believe contravenes the law, misuses public funds or assets, or represents a danger to public health and safety or a significant danger to the environment. Directors can expect such matters to be treated in confidence, unless disclosure of information is authorized or required by law. Directors will not be subject to discipline or reprisal for bringing forward, in good faith, allegations of wrongdoing in accordance with this policy.
- (2) Where a director believes a contravention of this policy exists with another director they have a duty to report the situation to the Board Chair.

**DIRECTORS STANDARDS OF CONDUCT AND CONFLICT OF INTEREST
APPENDIX A – CONFLICT OF INTEREST DECLARATION**

Board Director's Name: _____

I ACKNOWLEDGE that I have read and considered the Directors Standards of Conduct and Conflict of Interest Policy and agree to conduct myself in accordance with the Directors Standards of Conduct and Conflict of Interest Policy.

Board Director's Signature

Date

**DIRECTORS STANDARDS OF CONDUCT AND CONFLICT OF INTEREST
APPENDIX A – CONFLICT OF INTEREST DECLARATION**

**DISCLOSURE OF REAL OR APPARENT OR POTENTIAL
CONFLICTS OF INTEREST**

Board Director's Name: _____

Please check the appropriate boxes in **SECTION A** or **SECTION B**

SECTION A:

- I am directly or indirectly involved in another enterprise or occupation that is or could be perceived as being in conflict with the interest of Interior Health (the "Authority"). (Fill in 'Details' section below)
- I have direct or indirect investments or business relations that are or could be perceived as being in conflict with the interests of the Authority (Fill in 'Details' section below.)
- I have a direct relative whose circumstance places me or could be perceived as placing me in conflict with the interests of the Authority. (Fill in 'Details' section below.)
- I currently hold or have been offered a board appointment for a 'for-profit' organization or for a 'non-profit organization' that is or could be perceived as being in conflict with the interests of the Authority. (Fill in 'Details' section below.)
- I have a direct relative who has been elected to a federal, provincial or municipal position. (Fill in 'Details' section below.)
- Other. (Fill in 'Details' section below.)

Details: (Use separate page and attach if additional space required.)

**DIRECTORS STANDARDS OF CONDUCT AND CONFLICT OF INTEREST
APPENDIX A – CONFLICT OF INTEREST DECLARATION**

SECTION B:

- To the best of my knowledge and belief, I do not have an actual, perceived or potential conflict of interest.

SIGNATURES:

Board Director

Date

Board Chair

Date

Governance & Human Resources Committee Chair

Date

Disclosure forms must be completed annually, and when a change in a director's outside business activities has occurred and provided to the Board Chair. Original Disclosure Forms will be filed with the Board Resource Officer. Copies of the Disclosure Forms will be provided to the other Directors, the President and Chief Executive Officer and the Senior Executive Team.